

[8 August, 2001]

RAJYA SABHA

Similar rates of customs duty on import of new and second-hand textile machinery

1942. SHRI C. RAMACHANDRAIAH: Will the Minister of TEXTILES be pleased to state:

(a) whether presently there is no difference in rates of customs duty on import of new and second-hand textile machinery;

(b) whether Government are aware that this is one of important factors responsible for discouraging textile sector in going for high-quality products with sophisticated equipment and high-rate machinery;

(c) if so, details thereof;

(d) whether Federation of Indian Textiles Engineering Industry and Textiles Machinery Manufacturers' Association have recently submitted memoranda to Government detailing problems faced by them and demanding imposition of higher customs duty on second-hand textile machinery and lower duty on components of machinery; and

(e) if so, details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) Yes Sir.

(b) and (c) Decision by entrepreneurs to import new or second-hand textile machinery is taken on consideration of the suitability of technology, price advantages and other commercial considerations.

(d) and (e) The major demands of the Federation of Indian Textiles Engineering Industry and Textiles Machinery Manufacturers' Association are: reduction in basic excise duty on textile machinery; same rate of customs duty on all inputs of textile machinery; imposition of higher rates of customs duty on import of second-hand machinery; withdrawal of benefits of EPCG scheme on import of second-hand machinery and deletion of certain items of machinery from the list of machinery exempted from payment of countervailing duty *vide* customs Notification no. 17/2001. The proposals made from time to time are examined and decisions taken on merits.